

SNOHOMISH COUNTY, WASHINGTON
January 1, 1992 Through December 31, 1992

Schedule Of Findings

1. The Treasurer Should Reconcile Warrants Payable For School Districts

Our review of the county treasurer's operations revealed that the treasurer does not reconcile warrants outstanding for the school districts. As a result, the balance reported in school district's financial statements may be inaccurate and accounting control over disbursement transactions is weak.

The county treasurer is the ex officio treasurer of school districts within the county per RCW 28A.510.270. The duties of the treasurer under that statute require reconciling school district warrants outstanding. *Snohomish County Code* Section 2.100.080(2)(b) reserves to the county treasurer:

All powers and duties with respect to the collection, disbursement and management of junior taxing district (i.e. school district) funds

The balance of warrants outstanding is not reconciled because county officials have not provided the resources necessary to enhance the county's automated accounting systems.

We recommend that the county treasurer reconcile school district warrants outstanding. We also recommend that county officials provide resources to automate this function.

2. County Officials Should Improve Control Over Compensatory Time And Sick Leave

Our tests of the county's payroll system disclosed control and accounting weaknesses over compensatory (comp) time and sick leave. We found that control is weak over authorizing time, recording the accumulated balances, and reporting it in the financial statements.

The county does not have adequate policies and procedures over comp time. There are no uniform policies or procedures prescribing how this time is to be authorized or approved. Good control requires that comp time hours be authorized, verified, and documented in a timely manner. The lack of uniform policies and procedures increases the risk that the county will incur unauthorized or unsupported expenditures.

In addition, we found inadequate control over comp time and sick leave balances. There are no uniform policies or procedures to provide assurance that records are accurate and complete. The leave records supporting this time are only maintained at the departmental level.

We also found that the county does not report liabilities resulting from comp time in its financial statements. Comp time expenditures are not recognized until they are taken as leave. As a result, expenditures are not properly charged to the budget as leave is earned. Related liabilities were understated by approximately \$80,000 for 1992.

We recommend that county officials improve control over comp time. County officials should implement uniform policies and procedures over authorizing and recording of comp time hours. We also recommend that comp time and sick leave accruals be integrated into the county's centralized payroll accounting system.